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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN

BEFORE THE ARBITRATOR

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* In the Matter of the Petition of * *

* WOODRUFF-ARBOR VITAE SCHOOL DISTRICT * *

* To Initiate Mediation-Arbitration * Case No. 18 *

* Between Said Petitioner And * No. 38601 *

* UNITED LAKELAND EDUCATORS * Decision No. 24660-A *

* * ARB-4372 *

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APPEARANCES

On Behalf of the District: Ronald J. Rutlin, Attorney at Law
Mulcahy and Wherry, S. C.

On Behalf of the Union: Gene Degner, Director WEAC
UniServ Council No. 18

I. BACKGROUND

On March 18, 1987, the Parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1987. Thereafter, the Parties met on one occasion in an effort to reach an accord on a new collective bargaining agreement; and on March 24, 1987, the District filed the instant petition requesting that the Commission initiate Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. On May 20, 1987, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by June 12, 1987, the Parties submitted to the Investigator their final offers, written positions regarding authorization of inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted by the Commission, and thereafter the Investigator notified the Parties that the investigation was closed and advised the Commission that the Parties remain at impasse.

Next, the Commission ordered the Parties to select an Arbitrator. The undersigned was so selected and was advised of his appointment July 20, 1987. An arbitration hearing was scheduled and held August 27, 1987. Post hearing briefs and

reply briefs were submitted. The final exchange took place October 23, 1987. The Parties granted the Arbitrator an extension for his decision until January 3, 1988.

II. FINAL OFFERS AND ISSUES

The primary issue is the salary schedule for 1987-88 and 1988-89. There are secondary issues relating to (a) calendar, (b) extra curricular rates, (c) whether a rate should be established for an "early morning sports director, and (d) whether paychecks should be distributed every two weeks instead of monthly.

With respect to the salary schedule issue, it is difficult to describe the offers since the Parties disagree sharply on how to cost their offers. However, it can be said without debate that the Board proposes to increase each cell of 1986-87 schedule by 4.75% in 1987-88 and 4.5% in 1988-89 while freezing vertical experience movement in each year. The Association proposes that vertical experience movement occur and that each cell in each of the two years be increased by 5%.

What is disputed is how much of an increase each teacher will receive on average under the respective offers. Based on their costing methodology, the District calculates that the Board's offer results in a 1987-88 wage increase of 6.63% or \$1,738 per teacher and a total package increase of 7.25% or \$2,446 per teacher. During 1988-89, the wage increase is 6.19% or \$1,731 per teacher with a total package increase of 6.77% or \$2,451 per teacher. It is their opinion that the Association's offer results in a 1987-88 wage increase of 9.32% or a per teacher increase of \$2,443 and a total package increase of 9.81% or \$3,314 per teacher. During 1988-89, wage increase is 8.80% or \$2,523 per teacher with a total package increase of 9.24% or \$3,427 per teacher. The notable difference in their methodology relative to the Association is they cost horizontal lane movement, actual and projected, and they did not base the costing on last year's 1986-87 staff but took the actual 1987-88 staff and moved them back onto the 1986-87 schedule to create a new base for costing projection.

The Association costed on the basis of 1986-87 staff moved forward without costing horizontal lane movement. On this basis, their 1987-88 offer represents on average a \$1956 increase or 7.4% and in 1988-89 a \$2027 increase or 7.1%. They cost the Board offer as a 4.75% or \$1254 average teacher increase and a 4.5% or \$1242 increase in 1988-89.

III. ARGUMENTS OF THE PARTIES

A. District

1. Comparable School Districts

The District offers two groups of comparable schools delineated into a primary group and secondary group. They are as follows:

<u>Primary</u>	<u>Secondary</u>	
#1 Boulder Junction	Elcito	Prentice
Lac du Flambeau	Mercer	Rhineland
Minocqua Jt. #1	Northland Pines	Rib Lake
Lakeland UHS	Park Falls	Three Lakes
	Phelps	Tomahawk

They believe the primary comparable group is the most important comparison to be made because Woodruff, plus the Districts of Boulder Junction, Lac Du Flambeau and Minocqua constitute the four "feeder schools" to the Lakeland Union High School District and because of their unique inter-relationship. This interdependence has been recognized by other Arbitrators as the feeder schools have for several years been seeking to achieve parity with the Lakeland UHS schedule. Additionally, they believe the primary group should be the center of comparative attention since expanding the comparable pool to include geographically proximate Districts outside the "feeder schools", pulls in K-12 Districts whose composition of FTE teachers, enrollment and median family income greatly expands the averages to which the Woodruff School District is compared.

2. Salary Schedule

First, the District argues that the Board's final offer maintains the historical relationship between Woodruff teacher salaries and teachers in the Lakeland UHS cluster. They trace the history of the relationship between the feeder Districts and Lakeland UHS. During the 1982-83 school year, Minocqua became the first "feeder school" to implement a salary schedule similar to the Lakeland UHS schedule with minor exceptions. This matching of salary schedules continued in the 1983-84 and 1984-85 school years. Then in 1985-86/1986-87 an Arbitrator selected the Association's final offer in Minocqua which resulted in a base salary slightly higher than Lakeland UHS for 1985-86 in the School District. Woodruff, on the other hand, for 1985-86 and 1986-87 achieved voluntary settlements. Regarding the 1985-86 contract, the Woodruff School District and its teachers voluntarily agreed to a "split" increase in order to match the Lakeland Union High School base salary. In the 1986-87 contract the Woodruff School District achieved a voluntary settlement providing for a delay in the implementation of the salaries schedule and a freeze of teachers on step to hold down its cost while at the same time maintaining parity with Minocqua. Then

the UHS settled for 1986-87 above the Association's last offer. At the time of the settlement, Lakeland teachers were proposing the same 1986-87 base imposed on Minocqua and agreed to in Woodruff. The UHS settlement ultimately resulted in substantial changes to their salary schedule structure, including a salary schedule base of \$18,000 far exceeding the Lakeland teachers original proposal of the \$17,183 Woodruff and Minocqua base. It also awarded increases to teaching staff in excess of fifteen percent (15%).

For 1987-88/1988-89, the UHS Board is proposing a compressed salary schedule, no increase on the Base and a freeze of teachers on their 1986-87 Step for 1987-88 and 1988-89. The District argues that the Association's final offer will undermine the historical efforts at schedule parity. On the other hand, the Board's offer of 4.75% to each cell will result in parity on the schedules and the frozen increment will keep the cost of the settlement within the parameters of all the criteria of Wis. Stat., Section 111.70(4)(cm)7. This is in contrast to the Association which doesn't balance the criteria as well as destroying a relationship which the Parties have negotiated voluntarily. On this basis alone, the Board suggests their offer is more reasonable and should be awarded by the Arbitrator.

The District also believes that an analysis of their historical rank relative to the comparables contrasted to the impact of the offers on their ranking in 1987-88 and 1988-89 favors their offer. They note the Woodruff School District has significantly improved their salary schedule so that from 1982-83 through 1986-87 the schedule now ranks at the top on virtually all the benchmarks. Under these comparisons, they note that the exorbitant 1986-87 increase granted in the LUHS coupled with a change in salary schedule structure resulted in a slight loss of rank for Woodruff in the BA Max, with credit benchmark. They believe this settlement is an aberration which the Lakeland Union High School District itself recognizes. However, Woodruff School District's rank in 1986-87 is still very favorable and remains in the upper half of the Districts comprising the primary comparable pool. Additionally, they submit when the District's proposed salary schedule is ranked among the total Districts comprised of primary and secondary pools, Woodruff's top echelon position is still maintained.

On the other hand, the Association's proposal seeks to improve their ranking without proper justification. It has already been established that the Woodruff School District's salary schedule maintains a favorable high ranking among the School Districts in the primary as well as secondary comparable pools. The same holds true for the Association's comparisons utilizing the Lumberjack Conference plus feeder schools of the primary comparable pools.

Next, the District directs their attention to total compensation. They believe the total compensation of the

Woodruff School District is superlative. These benefits include 100% paid health insurance in 1986-87, 100% paid dental insurance for 1986-87, 100% payment of long-term disability benefits in 1986-87, 100% paid life insurance and full payment of retirement benefits including the teachers' share of the Wisconsin Retirement System contribution in 1986-87. These benefits can be contrasted with somewhat lower levels of paid benefits or scope of insurance coverages provided in other Districts.

The District also asserts that their offer is more competitive and reasonable than the Association's offer. It maintains the schedule parity with Lakeland UHS and by maintaining placement it keeps the cost consistent with other public and private sector settlements. They note that a retention of staff placement with approved lane transfers granted, as well as a split salary schedule, were voluntarily agreed to for the 1986-87 contract. Thus, the basis for the 1986-87 voluntary agreement remains the same for the Board's current 1987-88 and 1988-89 wage and salary schedule proposal. They believe the Association is nothing short of excessive, especially when compared to the per teacher increase in the primary comparable "feeder School" of Boulder Junction and the Statewide totals presented by the Association. The 1987-88 and 1988-89 cumulative per teacher increase in the Boulder Junction School District is \$3,982 including lane costs. The Association's proposal for the same term, including lane costs, results in a cumulative per teacher increase of \$4,966, nearly \$1000 more than per teacher for 1987-88 and 1988-89 than afforded to teachers in Boulder Junction. When taking into consideration the State of Wisconsin average per teacher increase for 1987-88 settled Districts, the Association's 1987-88 proposal exceeds the State average wage increase per teacher of settled Districts by nearly \$600.

It is also asserted that the Board's offer more closely approximates the increase granted in Boulder Junction as well as the State of Wisconsin. The Board's 1987-88 and 1988-89 cumulative wage increase is \$3,469, approximately \$500 less than the primary comparable "feeder school" of Boulder Junction's 1987-88 and 1988-89 cumulative wage increase. Additionally, the Board's 1987-88 average per teacher wage increase is \$1,738, approximately \$125 less than the 1987-88 average wage increase per teacher in Wisconsin's settled Districts. However, the Board's current Final Offer will not result in a loss of rank among the comparable Districts, rather it maintains the high standing achieved as a result of the significant "catch-up" increases granted in 1985-86 and 1986-87.

The Board also offers justification for costing in the horizontal lane movement. They offer projections in this regard because of the significant monetary impact on both the Board's as well as the Association's offers, because the Parties in Boulder Junction cost their settlement this way and because some Arbitrators have recognized the significant impact of

horizontal lane movements. The lane movement for 1987-88 is known. Approval of the 1987-88 teacher lane movement has been granted. Fifteen teachers will move horizontally with three of the fifteen moving two lanes, resulting in a total of eighteen lane transfers per the teaching staff of 26.4 FTE. This constitutes 68% of the teaching staff changing lanes during 1987-88 at a total cost of \$12,960 to the District under the Board's offer and \$12,990 under the Association's offer. The 1988-89 lane movement cost projection is based on a three year established trend, resulting in an average of 59% of the total staff moving horizontally through the schedule. Under the Board's 1988-89 offer the cost projection of lane movement is \$11,719, and \$11,802 under the Association's 1988-89 offer. They do not believe such cost can be ignored.

Another justification for their final offer, in their opinion, is that Woodruff School District teachers enjoy a tuition reimbursement benefit superior to that of Comparable Districts. The Woodruff School District provides the most lucrative reimbursement benefit. Woodruff School District teachers are provided with \$500 dollars per year cumulative to a maximum of \$1000 for tuition and other reasonable approved expenses. Additionally, these credits earned by the teacher and paid for by the District are counted towards horizontal lane movement on the salary schedule, thereby resulting in increased earnings for the teacher. Clearly, the District's reimbursement benefit is superior to that of the comparable Districts and, as such, adds further justification for selection of the Board's offer as being the most reasonable in this dispute.

Another of the statutory criteria is the interest and welfare of the public. They contend that the Board's offer is more in accord with the interests and welfare of the public. It is consistent with the current economic trend which suggests moderation in regard to wage setting. This includes small increases in the cost of living. The Board's offer will result in an increase in real income above the cost of living and comes on top of a benefit structure that is superior to that of the surrounding school districts and other public sector as well as private sector compensation packages. They ask realistically who could ask for more, particularly considering that the Board offer provides a percentage increase greater than that received by those who live and work in the Woodruff community. They argue that the interest and welfare of the public will not be served by granting the Association its proposal calling for nearly a 19% package settlement for the next two years.

Next, they turn their attention to the increases received by other public sector employees. As background, they note that the statutory criteria to be applied by Arbitrators have recently been altered. The legislature appraised Wisconsin's experience under mediation/arbitration and determined, among other things, to separate that subsection of the statutes which dealt with wage comparability into three discrete subsections under the new binding arbitration law. They submit the

legislature was not engaging in a mere editorial function. Rather, the legislature made this change with the expressed attempt that arbitrators would give greater, independent weight to wage comparisons with other public and private sector employees. Accordingly, the District urges that such factors be given serious consideration in resolving this dispute. When the data on other public sector settlements is examined, the Board offer is again most reasonable. The 1986, 1987, 1988 and 1989 wage increases for those employees in settled municipalities are clearly below that which the Board has proposed to its teachers. Specifically, municipal settlement increases received by those employes in the surrounding townships of Minocqua, Eagle River, Cities of Rhinelander and Tomahawk, as well as the Counties of Oneida, Price, Taylor, Langlade, Vilas, Lincoln and Iron hovered at or near 3-4%.

In light of these settlements, the Board's final offer of 6.63% on wages for 1987-88 and 6.19% in 1988-89 is the most reasonable and warrants selection.

Next, the compensation of private sector employees is considered. With regard to the average salary levels for the accountant, mechanical engineer, occupational therapist, registered nurse at a hospital, and social worker, they note in each and every instance the average monthly salary paid in these occupations was considerably less than the average salary received by the Woodruff School District teachers in 1986-87. Thus, it is argued the relationship of the Woodruff School District teachers salaries and other professional salaries when comparing the BA minimum and the average monthly salary is nothing short of outstanding. The largest private non-manufacturing employer in the area is the Howard Young Medical Center and it is submitted that the average increases for the management, professional and support staff employees for 1985 through 1987 was between 4% and 5%, underscoring the reasonableness of the Board's offer. Additionally, the Woodruff School District teachers enjoy a benefit package which is superior to that of the Howard Young Medical Center.

Last, in terms of the salary issue they draw attention to the fact that the Board's final offer guarantees that Woodruff Teachers will receive salary and fringe benefit increases that exceed the increase in the cost of living. This is important in their opinion, since three of the five or 60% of the "feeder schools" in the primary comparable pool are not settled for 1987-88 or 1988-89 and six or 56% of the eleven secondary comparable Districts remain unsettled for this term. Thus, a true pattern of settlements cannot be said to have been established. Even in the Union's comparable group, only 4 of 11 are settled and a pattern has not been established. Even if a settlement pattern were deemed to exist, they argue it is difficult, if not impossible, to ascertain the weight assigned by the Parties to the cost of living when arriving at a

voluntary settlement. They cite Arbitrator Gunderman, in Reedsville School District, et al., WERC Dec. No. 24219-A (7/87). Even cumulative increases do not favor the Association's increase.

3. Ancillary Issues

First, with respect to the Association's proposal to increase extra curricular rates by 5%, they submit there is no justification for this proposal in the record. In addition, they contend the Association fails to provide Exhibits or testimony in support of a perceived or real inadequacy of the current extracurricular rates. On the contrary, they believe the District's current extracurricular rate schedule is very competitive with schedules of the Districts in the primary comparable pool, especially Boulder Junction and Lac du Flambeau whose rates are settled for 1987-88 and 1988-89. Additionally, when comparing the extracurricular rates contained in the Minocqua Final offers to the current Woodruff School District rates, Woodruff continues to maintain a competitive position in 1987-88 as well as 1988-89.

Next, they address the Union's proposal to issue paychecks twice monthly. They assert that such a change in the status quo should be addressed at the bargaining table. They cite a number of arbitration awards in support of this.

Last, the calendar issue is reviewed. They draw attention to the fact that the most critical difference in the parties 1988-89 calendar proposal centers on the Association's inclusion of two WEAC convention days.

The Parties' 1988-89 calendar proposal each contain 187 calendar days, however, the Association's proposal to designate two calendar days as WEAC convention days deviates significantly from past calendar agreements. The District again submits the Association has failed to justify this proposal. Thus, they maintain the Board's offer must be selected as it maintains the status quo regarding the 1988-89 calendar and preserves the proper role of collective bargaining with respect to status quo issues.

B. THE ASSOCIATION

1. Comparables

The Association utilizes as primary comparables the elementary districts feeding into LUHS as well as the high school itself. As a secondary group, they offer the Lumberjack Athletic Conference (the A/C of LUHS) since if the four elementary schools were consolidated with LUHS, this would be their primary comparable group. On the other hand, they submit the Employer selects surrounding school districts which have had no historical bargaining relationship to the Arbor Vitae-

Woodruff school. The Employer in its extensive bargaining history lesson failed to establish any relationship between the bargaining history at AVW and those secondary comparables. In fact, there is little, if any, mention that the Employer at any time even attempted to coordinate bargaining with those school districts. The Lumberjack Athletic conference consists of Tomahawk, Medford, Phillips, Ashland, Park Falls and Northland Pines and Lakeland UHS.

2. Salary Schedule

In the Association's opinion, the main question in this case is whether the increments should be frozen. It is also their opinion that the District is seeking to obscure this issue by its references to the historical relationship to the LUHS.

Even if the "bargaining history" of LUHS is relevant, they argue this situation is distinguished. This is because in 1986-87 LUHS offered a significant quid pro quo for the salary schedule modification sought by the Board. In this case, they submit the Board offers no such tradeoff for their desire to freeze the increment for two years. Moreover, the Employer wants to keep with the LUHS base; however, the LUHS base for 1986-87 was \$18,000 and certainly will not be \$18,000 for 1987-88.

The Association argues that its proposal for a five percent rate increase with increments for each of the two years, 1987-88 and 1988-89, are right on course and even slightly less than the voluntary settlements that are occurring among the primary and secondary set of comparables. Among the primary comparables, we have a 12.7 percent rate increase at North Lakeland (Boulder Junction) and a 10.5 percent rate increase at Lac du Flambeau over two years. In the secondary comparables, for 1987-88, Phillips agreed to a 6.0 percent rate increase, Tomahawk with a 5.5 percent rate increase, Park Falls with a 5.5 percent rate increase, Medford with an approximate 6.5 percent rate increase and Ashland with a 6 percent rate increase. In addition, the combined two-year rate increase for Phillips and Tomahawk is 11.75 percent and 10.5 percent, respectively. In addition, at a neighboring school which the Board selected, Mercer School District, there is a 10.5 percent rate increase for the same two-year period. Thus, they believe a 10 percent wage rate increase is reasonable. Noting that 10% for two years is less than in other Districts, they indicate they have recognized they are among the leading schools, have asked for slightly less of an increase than those school districts which ranked behind them.

They illustrate the impact of the two years of frozen increments by the use of several charts. The first chart shows that over an 8-year period a teacher at the BA+6 Step 3 will lose \$14,244 under the Board's offer relative to the Association. For a teacher at the top of the schedule, the difference would be \$2137. The next chart compares the increases received by the

same employee (BA+6 Step 3) under the proposals compared to north Lakeland and Lac du Flambeau. In North Lakeland he would receive increases of \$2725 over two years and in Lac du Flambeau \$3398. This compares to \$3488 under the Association offer and \$1822 under the Board offer. They also note that while North Lakeland did freeze the increment for the 1987-88 school year, they increased the schedule some 9.7 percent. Therefore, each employe did get a 9.7 percent as a minimum raise.

The Association emphasizes with lengthy argument and citation that the Employer's salary schedule offer is flawed by freezing the increments--a change in the status quo for two years. In addition, they review the offers relative to the statutory criteria. First, with respect to factor (c) the interest and welfare of the public and the financial ability of the District to meet the costs of any proposed settlement, they note the District, at the hearing, presented no argument of their inability to pay. As to the interests and welfare of the public, the Association believes this is a relevant factor since the District offer would have the effect of depressing the wages for the most experienced teachers, both by comparison to starting salaries at AVW and by comparison with the wages of similar teachers in comparable schools.

With regards to (e), "Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities," the Association believes this factor is not as relevant as the comparison of (d) and (j). The Employer did present an exhibit showing municipal settlements; however, there were none for 1988-89 - the years in which this arbitration is to be effective. With regards to Employer Exhibit 71, it provides inconclusive comparisons in as much as there is no history with the relationship to teacher negotiations and no relationship to show that any kind of other economic sanction, such as a freeze on schedule, was applied. Moreover, it also does not show whether the settlements represent a rate increase by the year, month or hour or what the economic wage was at the start or whether the jobs were even similar. Therefore, it is the position of the Association that for the years in question conclusive information does not exist with regards to the comparison criteria as requested in (e) and therefore, the other criteria will be more applicable.

The "Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes in private employment in the same community and in comparable communities" again is insufficient in terms of the evidence presented. The Employer does attempt to show the average wage and benefit package of some management and non-management personnel at Howard Young Medical Center within the community for AVW. However, that evidence, as inconclusive as

it is, would only indicate further support of the Association's position, inasmuch as it shows that the average increase is 4-5 percent and absent any other evidence, it must be presumed that the rate for those jobs would be increased by 4-5 percent and that the salary structures would not be altered. In order to make a valid argument comparison, there must be some wage level at which those employes start, top out, and some kind of scattergram to show how many employes are earning each salary to make a valid comparison. For instance, they suggest it can be easily determined what a seven-year employe earns within the teaching ranks; however, there is no indication of what a seven-year management and non-management employe earns at the Howard Young Medical Center. Again, since such inconclusive evidence exists, the other factors need to be more determinate. Additionally, they note the Employer argued the comparative monthly salaries of AVW teachers with private sector employers; however, they have attempted to skew the information by taking a nine-month comparison to a twelve-month without any statistical data to support that comparison.

In terms of the cost of living, the Association notes that many arbitrators have found that the best basis for judging the cost-of-living factor is the pattern of settlements in comparables. In terms of the factor of overall compensation (h) they observe that the cost of the fringe benefit package at AVW for 1987-88 is less than that of comparable districts.

They next, in more detail, make a number of comparisons between AVW and other comparable school districts. They note they have provided settlement data on seven of the eleven comparable districts considered in the secondary and primary comparables (Lumberjack Conference). In looking at the dollar increases for 1987-88 over 1986-87, the Association is much closer to the average dollar and percentage increase per cell on all seven bench points than is the Board's offer. In terms of the amount of the wage rate increase in schools with two-year settlements, they offer the following:

TWO-YEAR RATE INCREASE

Phillips	11.75
Tomahawk	10.50
Lac du Flambeau	10.80
North Lakeland	12.60
Average	11.41
Association Proposal	10.00
Board Proposal	9.25

3. Ancillary Issues

With respect to the paycheck issue, they believe it is also in the interest and welfare of the public to have the teachers paid at least twice a month so that the money of the community can be recirculated in much more equitable fashion. It is much

easier for the employees to make their other debt or purchase commitments if they are paid bimonthly rather than once monthly. Additionally, they believe the comparables clearly support their offer.

There are two reasons the Association believes its position should be the preferred position for the calendar: (1) The Association's calendar proposal more closely parallels the previous calendar, that for the first year of the agreement and (2) if the Board seriously wanted to attempt a more common calendar they would not have slammed the door on the teachers in negotiations by filing immediately for arbitration. Last, it believes its position on extra curriculars should be accepted because the extra curriculars have historically followed the same rate increase as the salary schedule and the Association is applying that principle.

IV. OPINION AND DISCUSSION

At the outset, the Arbitrator must resolve the Parties' differences with respect to comparables and costing for comparison purposes. This is necessary to get a handle on criteria (d), still the most important criteria where sufficient information exists yielding meaningful inferences as to the reasonableness of the Parties' offers.

Regarding comparables, both Parties agree that the feeder districts and Lakeland Union High School (LUHS) are the primary comparables. Indeed they should be because of their unique inter-relationship. The disagreement between the Parties relates to the so-called secondary comparables.

This debate is largely academic since there are many schools on each Parties' list which aren't settled for either year in dispute. Thus, for the purposes of this case the Arbitrator is satisfied that the following schools are comparable for secondary comparisons:

Mercer
Park Falls
Phillips
Tomahawk

The other preliminary matter relates to costing of the packages for comparison purposes. In this regard, this record, unlike the lakes and streams in the Woodruff-Arbor Vitae (WAV) area, is severely muddled in several respects. This primarily relates to costing and specifically the Parties' failure to agree on a costing methodology and an execution of costing pursuant to such a methodology. The potential clarity of the record is obscured even further when both Parties make inappropriate comparisons based on two different methodologies, i.e. apples to oranges.

The District takes a non-traditional costing approach calculating average teacher increases in dollars and percentages not only by including horizontal lane changes but they don't move last year's (1986-87) staff forward, they move the 1987-88 staff back and build a new base. The Union takes offense at costing in the lane changes. They calculate the offers in terms of average teacher increases in the traditional and most commonly accepted method, i.e. last year's staff moved forward without horizontal lane changes. However, the Association doesn't offer costing on the same basis for its comparable schools for comparison purposes. The District's data is in a similar state.

Instead, what the Arbitrator is left with is (a) the benchmark analysis utilized by both Parties relative to different comparables, (b) costing for Boulder Junction (also referred to as North Lakeland [NL]) including lane changes and (c) data indicating the wage rate increases not including vertical increments for some schools and (d) the District's argument as to the historical relationship between LUHS and WAV.

First, with respect to the historical relationship between WAV and LUHS, the Arbitrator agrees this is important but the District's approach is misplaced. The District tries to make great hay out of the fact that their offer for 1987-88 matches the 1986-87 BA Base of \$18,000 at LUHS. They crucify the Union for destroying this relationship. However, the Union's offer at the BA Base is only \$42 more per year, hardly a significant difference. Additionally, while the Board's offer matches LUHS it is one year late.

It is a very valid and significant point that the feeder districts have sought to achieve parity with LUHS. However, since LUHS is not settled for 1987-88 or 1988-89 it is difficult to get any direct guidance from LUHS. Significantly, the best guidance in this record is interdependence of the feeder districts onto themselves. Thus, the settlements in Lac du Flambeau (LDF) and NL loom large in this case. They take on almost the same importance as internal comparables would in a city or county case.

In terms of benchmark analysis, this comparative method is not very helpful in this case since on a wage rate basis the offers are very close and more importantly since the Employer is proposing to freeze the increment. By freezing the increment, the benchmark and wage rate increases tell only half the story with respect to the amount of wage increase employees put in their pocket. Benchmarks would show only how much the rates increased and would not account for the value of the experience increment received by other employees.

Thus, in view of the limited usefulness of traditional benchmark analysis, under these facts and circumstances, a more telling measurement is needed to get a handle on the offers. In terms of the overall increase (including lane changes in NL)

this is of little use since (1) it is non-traditional costing and (2) it is the only settlement costed on this basis. Thus, a very limited overall perspective is obtained by relying on this.

It would be optimal if there were traditional costing available for all the relevant settlements for comparison purposes. This would show the precise impact of the frozen increment on the amount of wages received under the Employer's proposal. Since this information is not available, the next best measurement available in this record must be used. This is comparisons of actual increases received by a hypothetical employee moving through comparable steps and lanes under the various schedules in the comparable districts. The validity of this method lies in the fact it will demonstrate to the greatest extent possible in this record the relative effect of the frozen increment on the increase in income rather just the increase in rates (raw benchmarks).

Comparison of Actual Increases Received 1986-87
to 1988-89 at Step 5 or Equivalent in Various Lanes
under Offers Versus Average of Primary Comparables
(LDF and NL) 1

	<u>Two-Year</u>		<u>Board</u>		<u>Difference</u>	<u>Union</u>		<u>Difference</u>
	<u>Average</u>		<u>\$</u>	<u>%</u>		<u>\$</u>	<u>%</u>	
BA	3394	18.2	2252	10.9	(-1142/-7.3)	3628	17.6	(+234/- .6)
BA +18	3622	18.0	2147	9.5	(-1475/-8.5)	3840	17.0	(+218/-1%)
BA +36	3867	17.75	2342	9.5	(-1525/-8.25)	4051	16.3	(+184/-1.4%)
MA +12	4038	17.6	2473	9.5	(-1565/-8.1)	4192	16.0	(+154/-1.6%)
MA +30	4162	17.6	2668	9.5	(-1494/-8.1)	4404	15.6	(+242/-2%)
Average	3816	17.8	2376	9.78	(-1440/-8.02)	4023	16.5	(+207/-1.3%)

When the data in chart no. 1 is analyzed, the dramatic impact of the frozen increment on hypothetical teachers in WAV relative to similarly situated teachers on average over the two-year period. The hypothetical employee in the select lanes at Step 5 in WAV will receive \$1440 less than the similarly situated employee in NL and LDF over the two-year period. Employees in the latter will receive the equivalent of 17.8% increase over their 1986-87 wage in the two-year period compared to 9.78% for the employee in WAV (55% less) under the Board offer. The data also shows that under the Union offer the employee will receive better wage treatment than in the primary comparables on a dollar basis and

1. This tracks hypothetical employees in various columns assuming they had six years of experience in 1986/87 (this is Step 5 in WAV, Step 5 in LDF and Step 6 through their respective schedules during the two-year period in dispute. Under the Board's offer, an employee is frozen on the schedule. Under the Union's offer they move from Step 5 to Step 6 to Step 7. The same is true in LDF. In Boulder Junction the employee is frozen at Step 6 for 1987-88 and then advances in 1988-89.

less favorable on a percentage basis. This is a result of the relatively healthier wage levels (benchmarks) in WAV. The Association indicates that they accepted less of a percentage because they knew they were a wage leader in the feeder schools. It is clear they would have had to accept less of a percentage to allow some absolute adjustment to the benchmarks. However, assuming some wage rate moderation was necessary, the Board goes too far too fast.

This method of comparison confirms the general intuitive notion which can be gleaned from the final offers compared to NL and LDF. As noted, the wage rate increase in NL was 12.6% and 10.80% in LDF (11.7% average) compared to 9.25% for the Board and 10.0% for the Association. Intuitively, since the wage rate increase under the Board offer is less than elsewhere in addition to the two frozen increments (whereas there is only one frozen increment in N. L. and none in LDF) it would be expected that the actual increases under the Board offer would be significantly less than the average. No doubt similar calculations for actual increases under the schedules to Tomahawk and Phillips on a two-year basis along with Mercer and Park Falls on a one-year basis would yield similar results since the wage rate increases there are greater than the Board offer while also being accompanied with incremental increases.

The District did argue the relevance of other of the statutory criteria. Generally speaking where only two settlements exist in a primary comparable group, they might not be given as much weight as the other statutory criteria, which, in this case, do favor the Board. However, the two comparable settlements in this case (NL and LDF) are of such great import and the differences in the offers relative to these comparables are so great that criteria (d) has to be given more weight than the other criteria. These settlements involve 2 of 4 feeder schools into a UHS which already in 1986-87 had a healthier BA Base, MA Base, BA Max schedule maximum. This isn't to suggest that absolute parity is or isn't necessary between the feeder schools and the UHS. It is only to say given the results of the 1986-87 bargain in LUHS and given the reaction of LDF and NL to it with their 1987-88 and 1988-89 schedules too much damage would be done to the interrelationship between WAV and these feeder schools under the Board offer. Given some interdependence between the feeder schools and LUHS, it is most reasonable and equitable to say that WAV teachers should keep up in real wages relative to NL and LDF even if it means a slightly greater increase rather than forcing them to accept an offer that yields nearly half as much income as enjoyed by others.

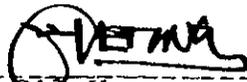
There simply isn't any reason in this record to compel the Arbitrator to conclude that the taxpayers of WAV shouldn't be able to support their teachers with increases in 1987-88 and 1988-89 to relatively the same degree as NL and LDF. These settlements are viewed as reasonable reactions to the UHS situation in 1986-87 and any anticipated settlement there in 1987-88 and 1988-89. The Union offer here is clearly more

consistent with the reaction of NL and LDF to a unique set of circumstances and this must carry great weight.

The remaining issue relates to the ancillary issues of calendar, paychecks and extra curricular pay. There is some merit in the arguments of both Parties on these issues. However, even if the Arbitrator were to view these issues in a light most damaging to the Union, their individual or cumulative impact would not be enough to outweigh the negative implications of the Board offer on salary schedule.

AWARD

The final offer of the Union is accepted.



G.H. Vernon, Arbitrator

Dated this 28th day of December, 1987 at Eau Claire, Wisconsin.